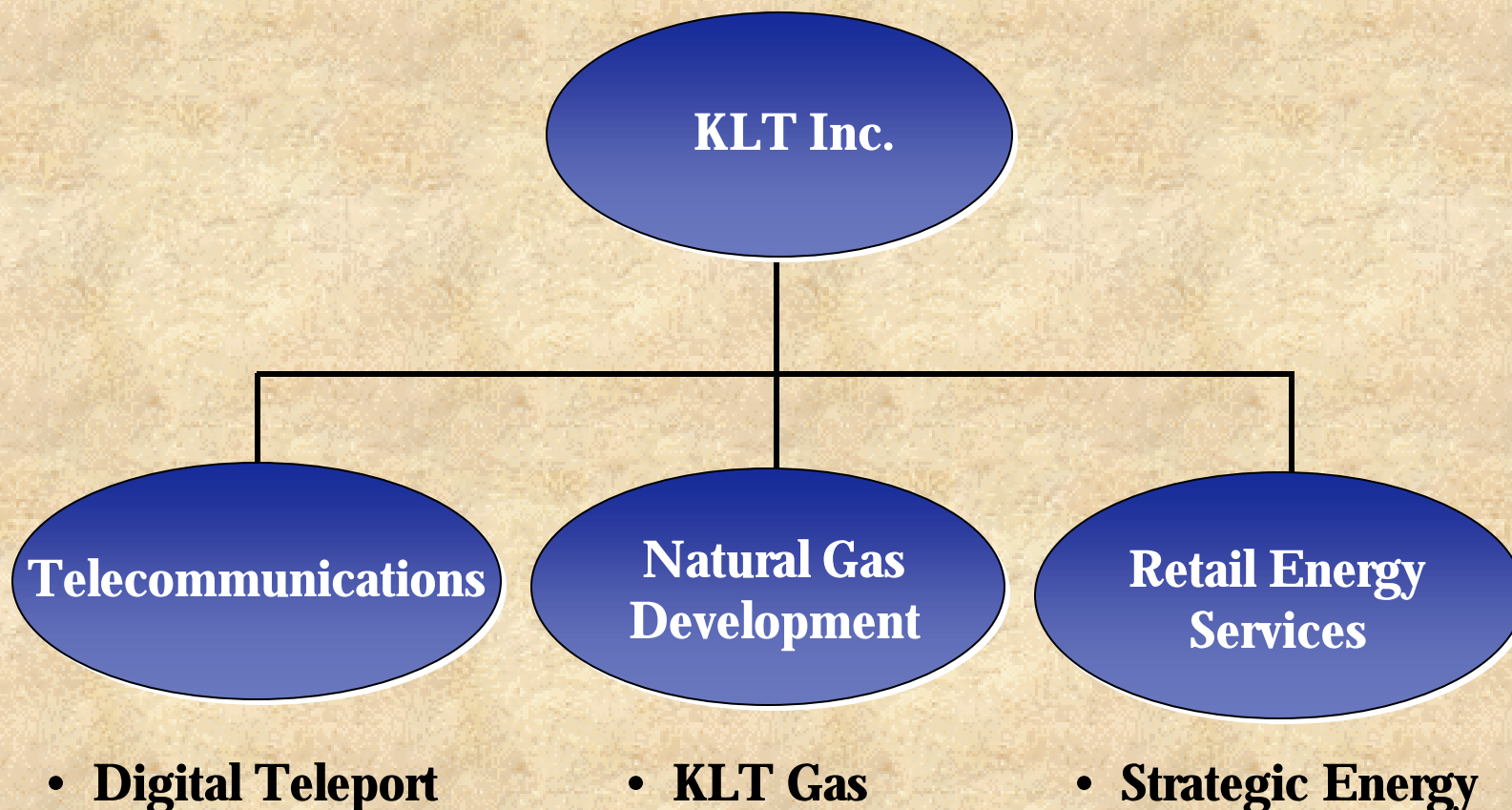


KLT Inc. Vision

To build a world-class, value-added private equity firm and create shareholder value for Kansas City Power & Light

KLT Inc. - Going Forward Structure



KLT Inc. Investment Overview

STRATEGY

To acquire and develop controlling interests in businesses in 3 primary industries where we can leverage our skills and existing assets to create value for our shareholder

INDUSTRIES

- **Natural gas**
- **Telecommunications**
- **Retail energy**

INDUSTRY CHARACTERISTICS

- **Dynamic long-term growth**
- **Transforming marketplaces**
- **Related to shareholder's basic industry**

STRATEGIC ENERGY

Mission



“To provide timely strategic planning and energy management services on an objective basis to ensure the most reliable energy supply at the lowest possible cost.”

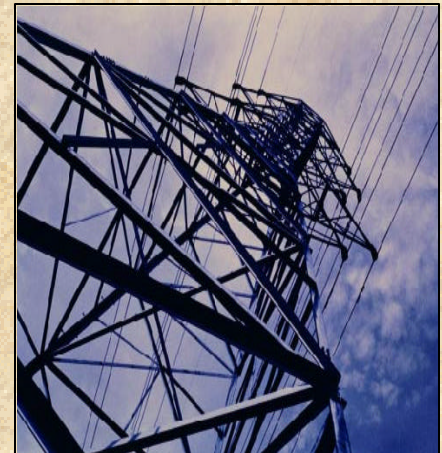


Company History

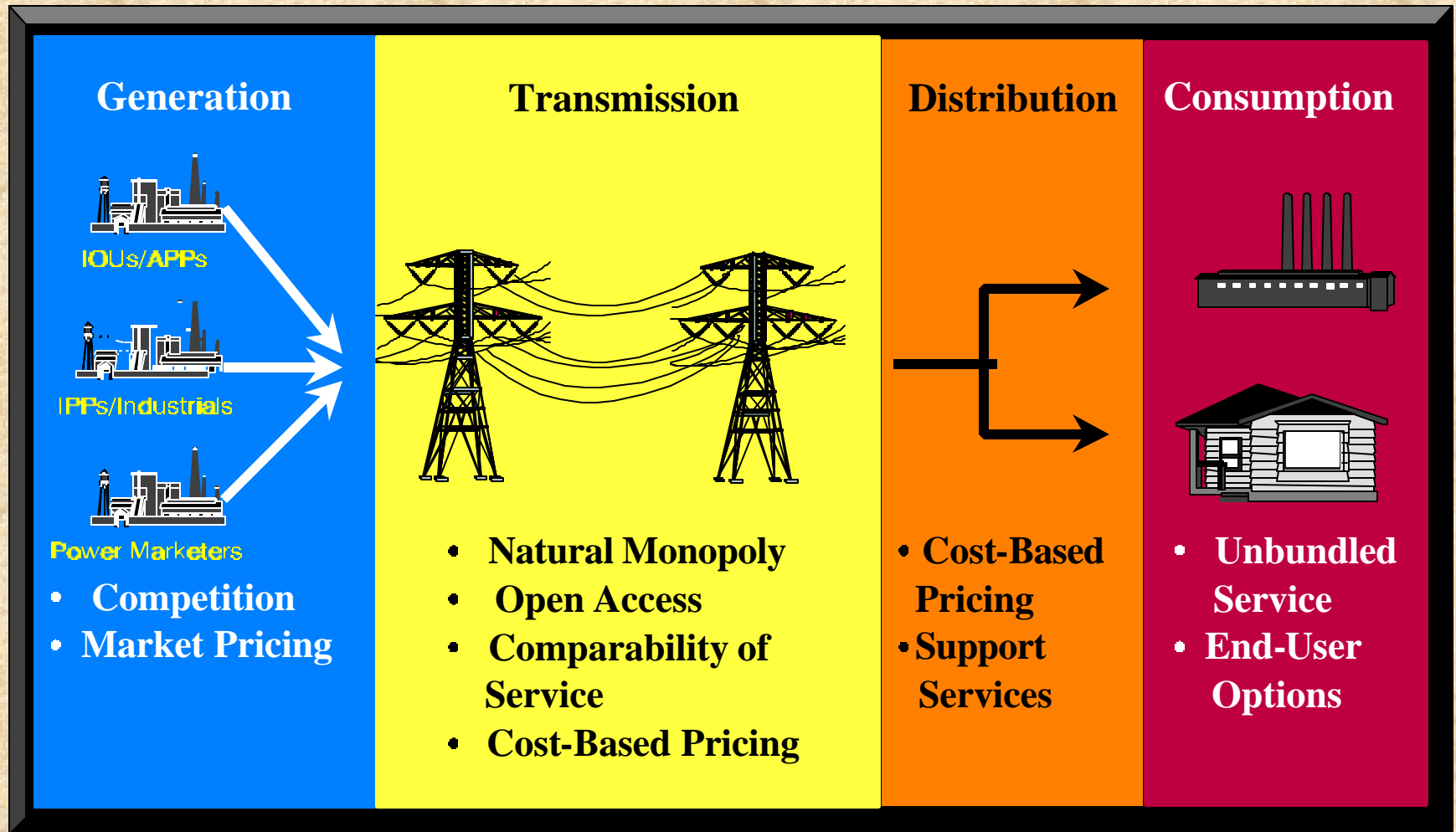
- Founded as an objective energy consulting practice within law firm in 1986
- Successfully introduced Daily Gas Management service in 1987 and currently manage 500,000 Mcf/day of natural gas
- Currently manage in excess of \$1.5 Billion in energy purchases annually
- Introduced objective Power Supply Coordination concept in 1997 for Pennsylvania's pilot program. Currently serving 10,000 commercial and small manufacturing customers in CA, PA, OH and NY
- Currently manage over 1,000 MWs of power through our Energy Management Center
- Privately held company with majority ownership held by KLT Inc., the unregulated subsidiary of Kansas City Power & Light

Fundamental Characteristics of Electricity Market

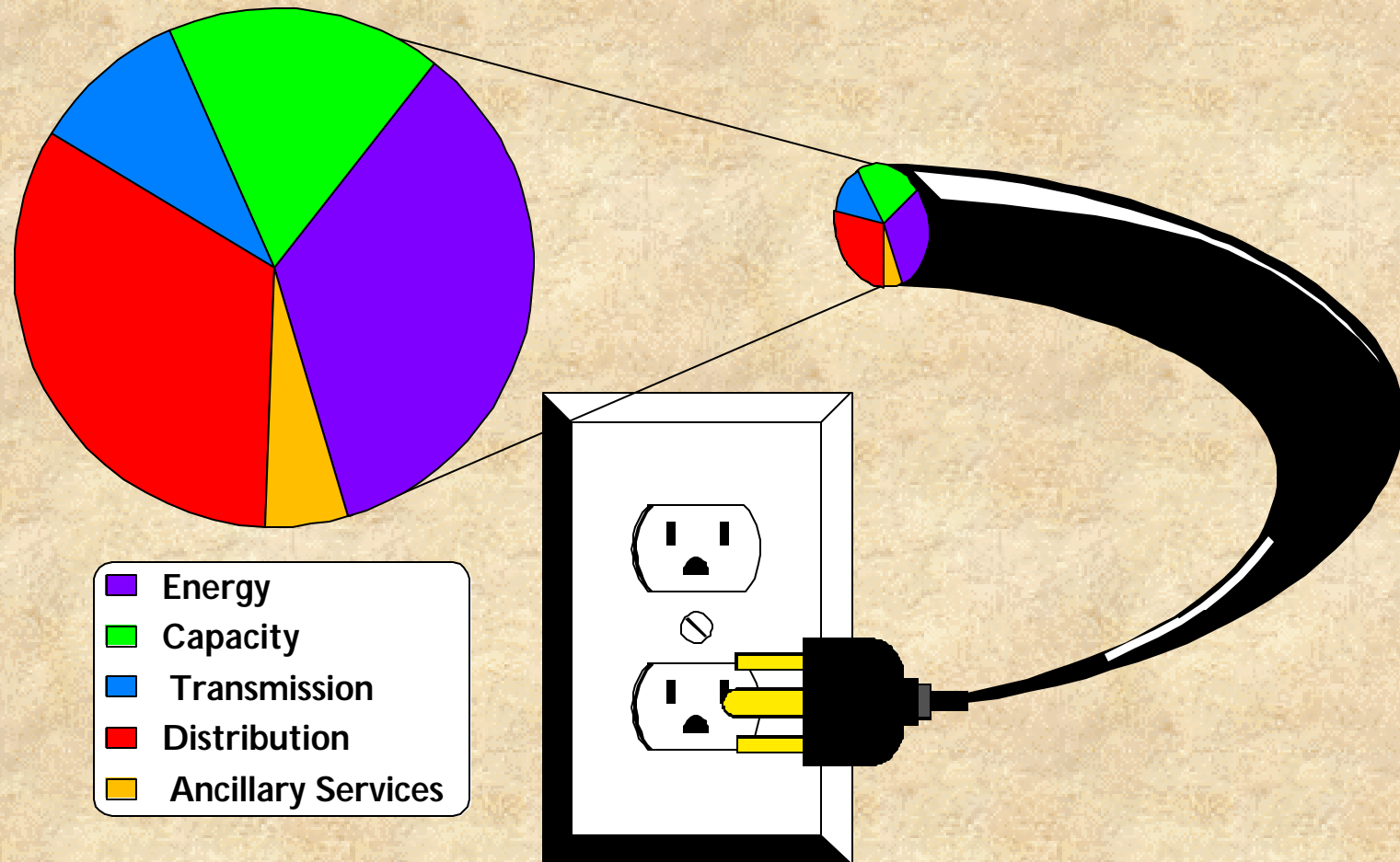
- Moves at the speed of light
- Can not be stored
- Highly integrated transmission system
- Complex and changing regulatory environment
- Volatile wholesale market



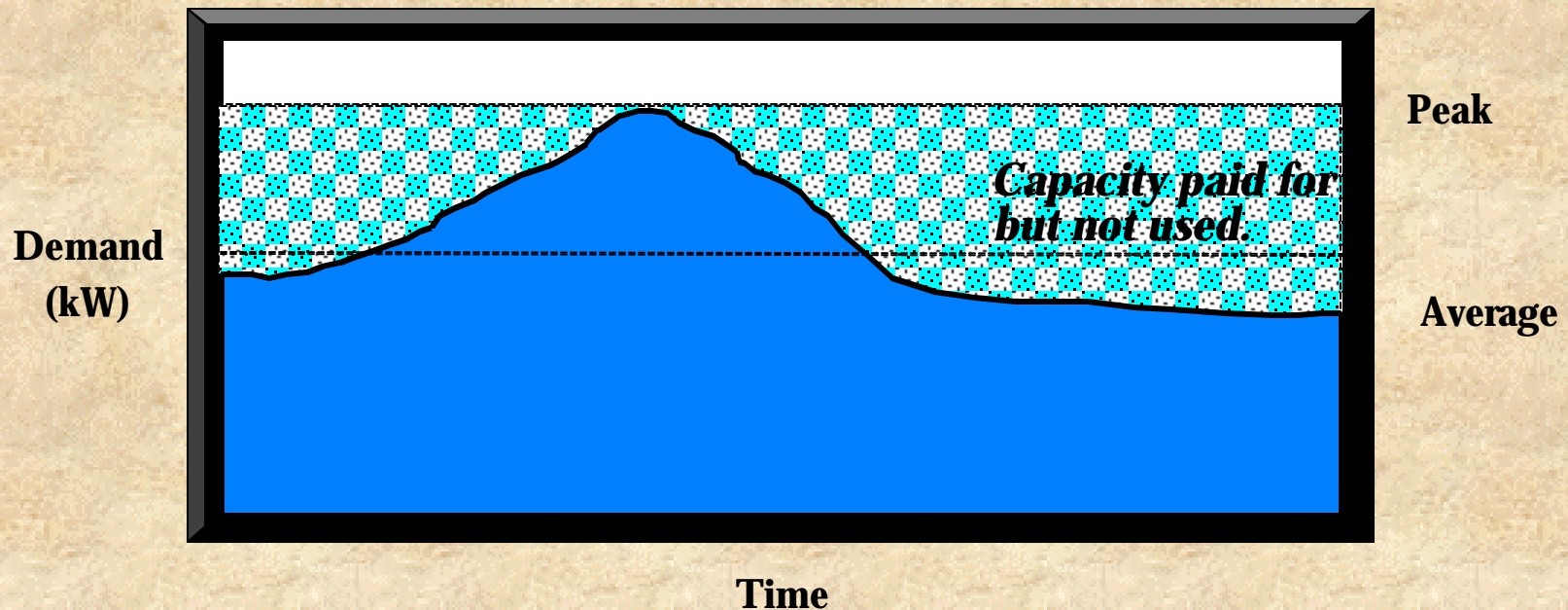
Competitive Electric Market



Components of Power Service



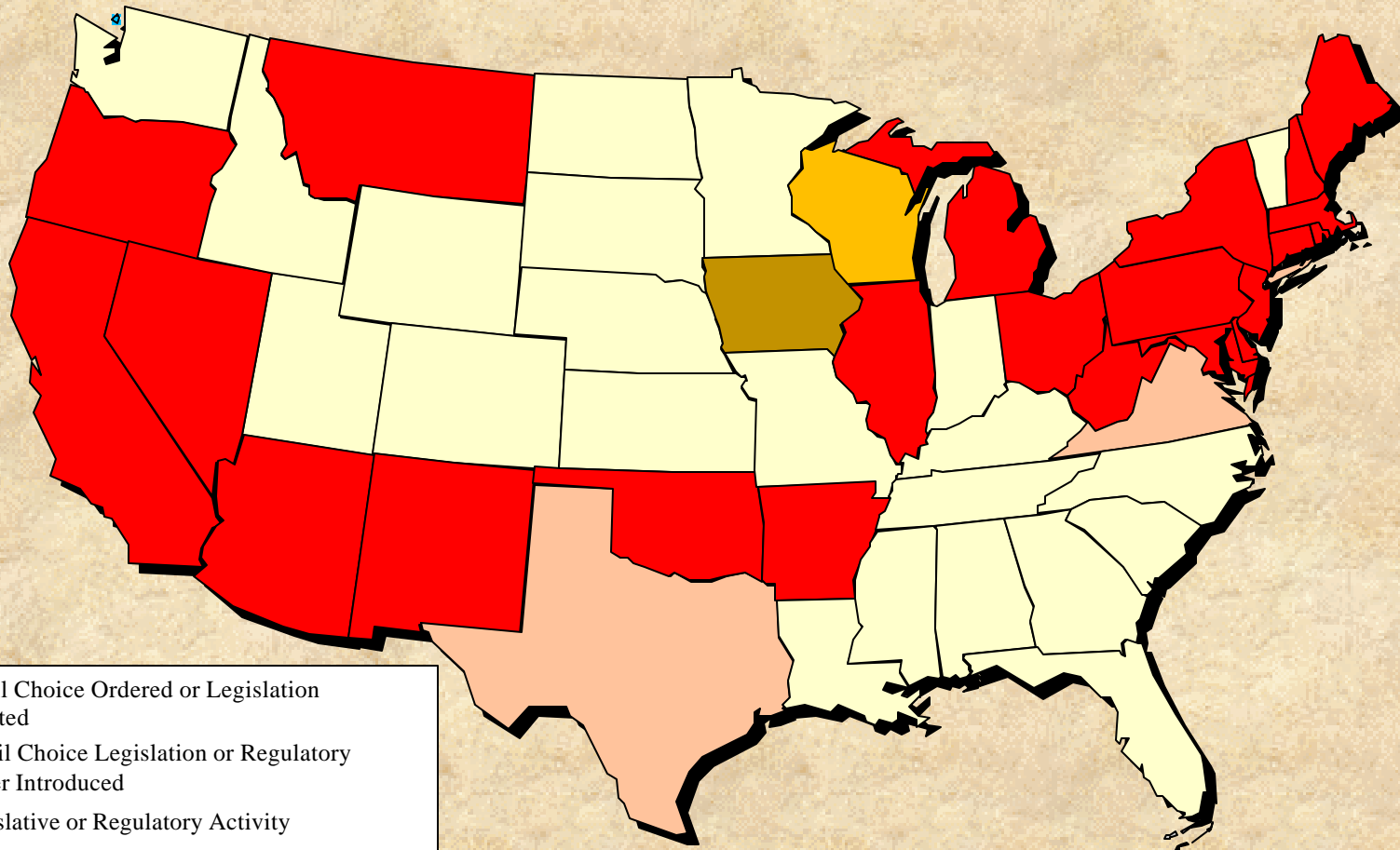
Buying Unbundled Electricity







- ▶ **Load Factor = (Average Demand)/(Peak Demand)**
- ▶ **Electricity Prices Based on Peak Demand (\$/kW-month) and Energy (¢/kWh)**
- ▶ **Higher Load Factor → Lower Price**

Retail Competition Activity

Status of State Retail Competition Initiatives

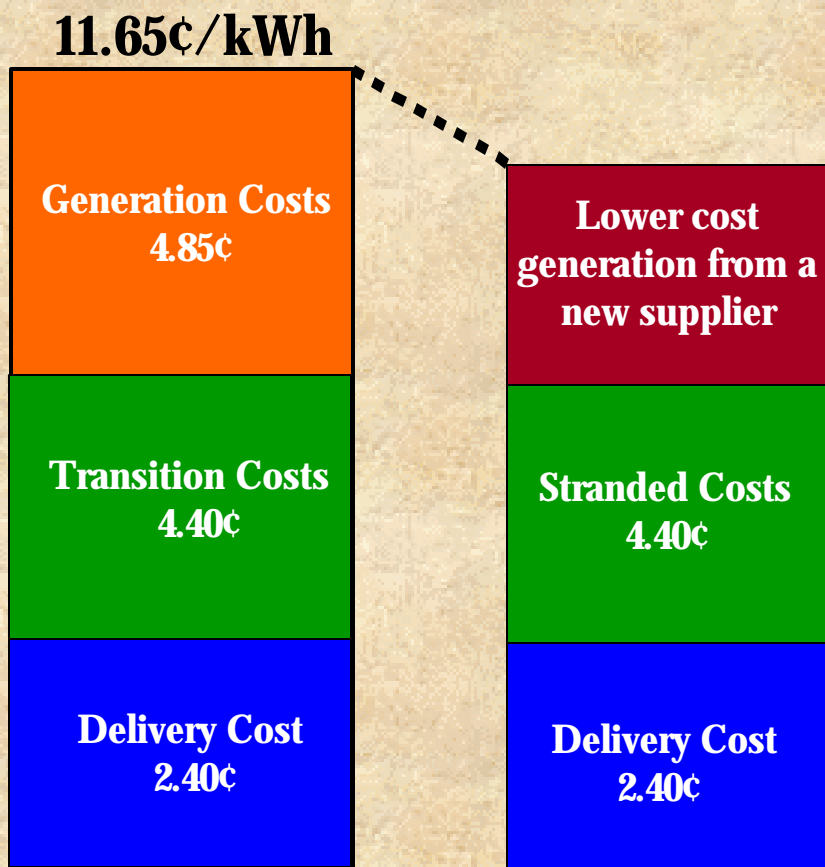


-  Retail Choice Ordered or Legislation Enacted
-  Retail Choice Legislation or Regulatory Order Introduced
-  Legislative or Regulatory Activity
-  Cross-hatching indicates states where pilot programs have been initiated or approved

Strategic Energy maintains a state-by-state summary of retail wheeling activity.

Identify Opportunities

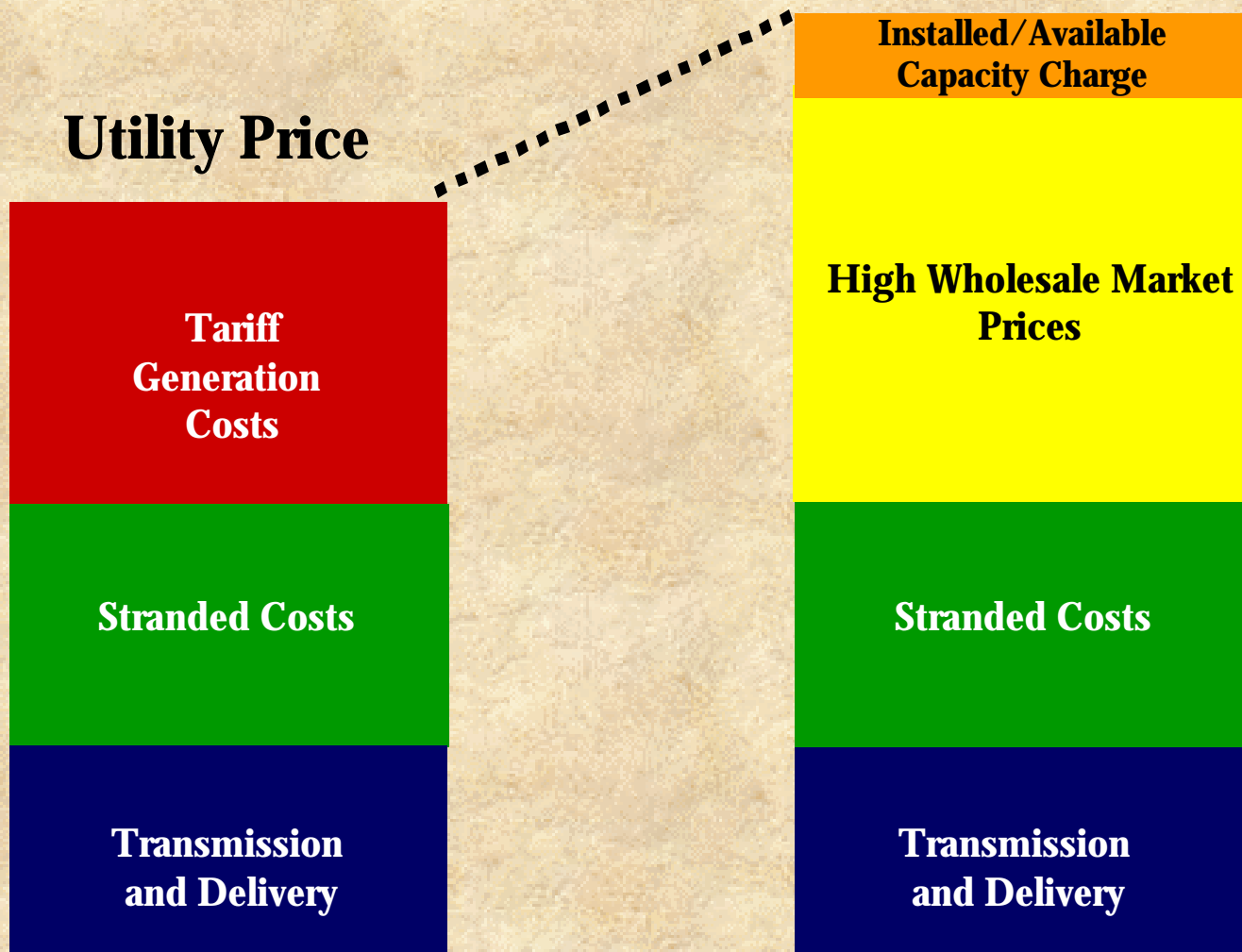
Transitional



Competitive



Electricity Customer Choice Today



GSA Energy Management Schedule

- Strategic Energy has been awarded a contract from the GSA on the Federal Supply Services (FSS) Energy Management Schedule.
- The FSS listing pre-qualifies Strategic Energy to provide natural gas and electricity procurement services through a streamlined contracting process to any federal agency.

Power Supply Coordination

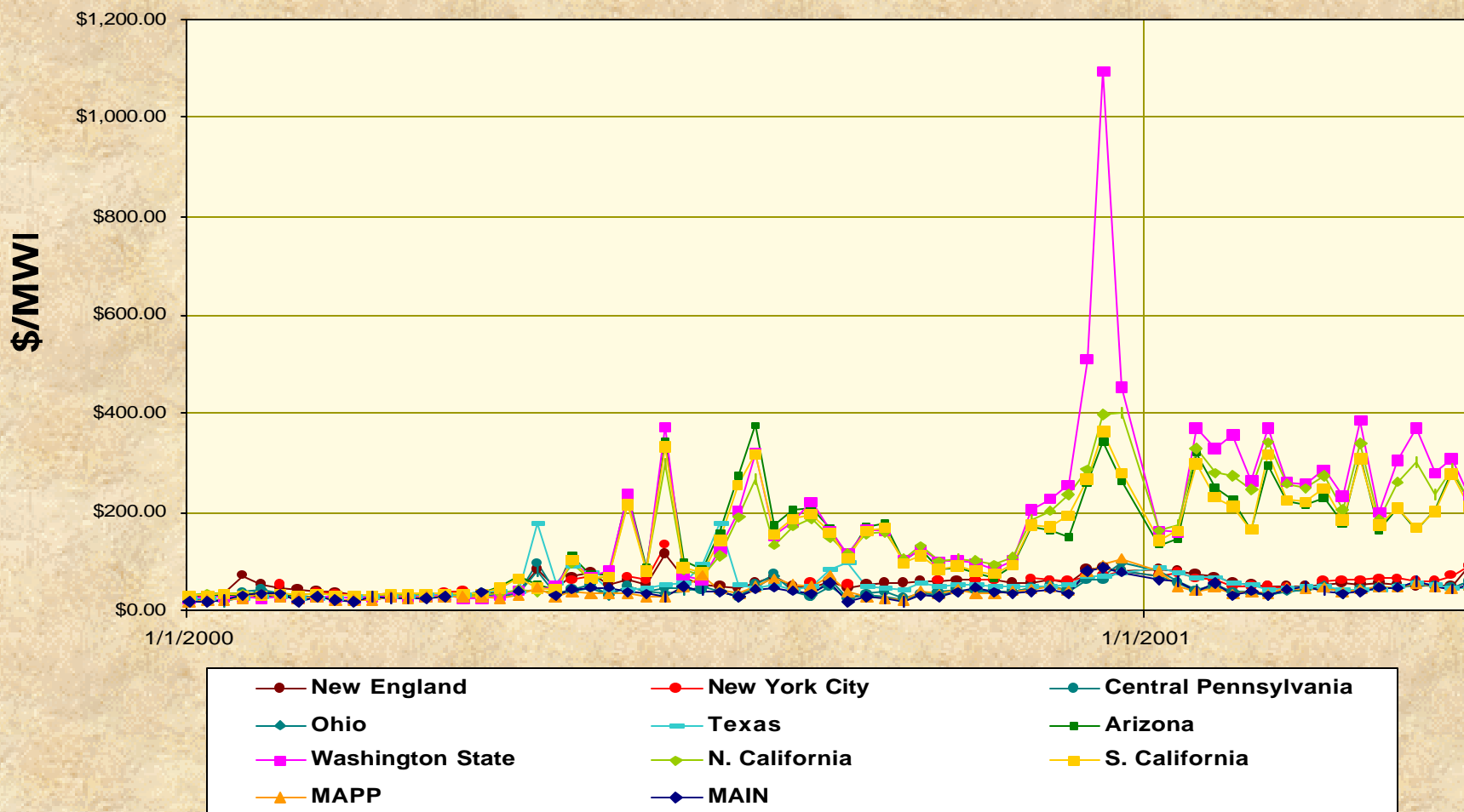


- **Objectively in the market 24 hours a day, 365 days a year with our Energy Management Center**
- **Dedicated to end-users energy needs**
- **Objective, open book pricing, no hidden charges, we are constantly managing your energy costs down for you**
- **Aggregate our customer loads for increased buying power**

Power Supply Coordination

- **Full-time, 24-hour electricity purchasing management**
 - Aggregate customer loads to reduce demand peaks, improve load factors and make volume purchases
 - Purchase supply from reputable wholesale suppliers with physical generation assets
- **Set a cap price for our customers to protect them from price spikes and give them budget certainty**
- **Take advantage of wholesale market volatility**
 - Selling excess power back into the market for a premium
 - Locking in lower prices as the market moves
- **ALL of the savings are returned back to the customer**

Weekly Average of Electricity Spot Price Indices Rolling 18 months

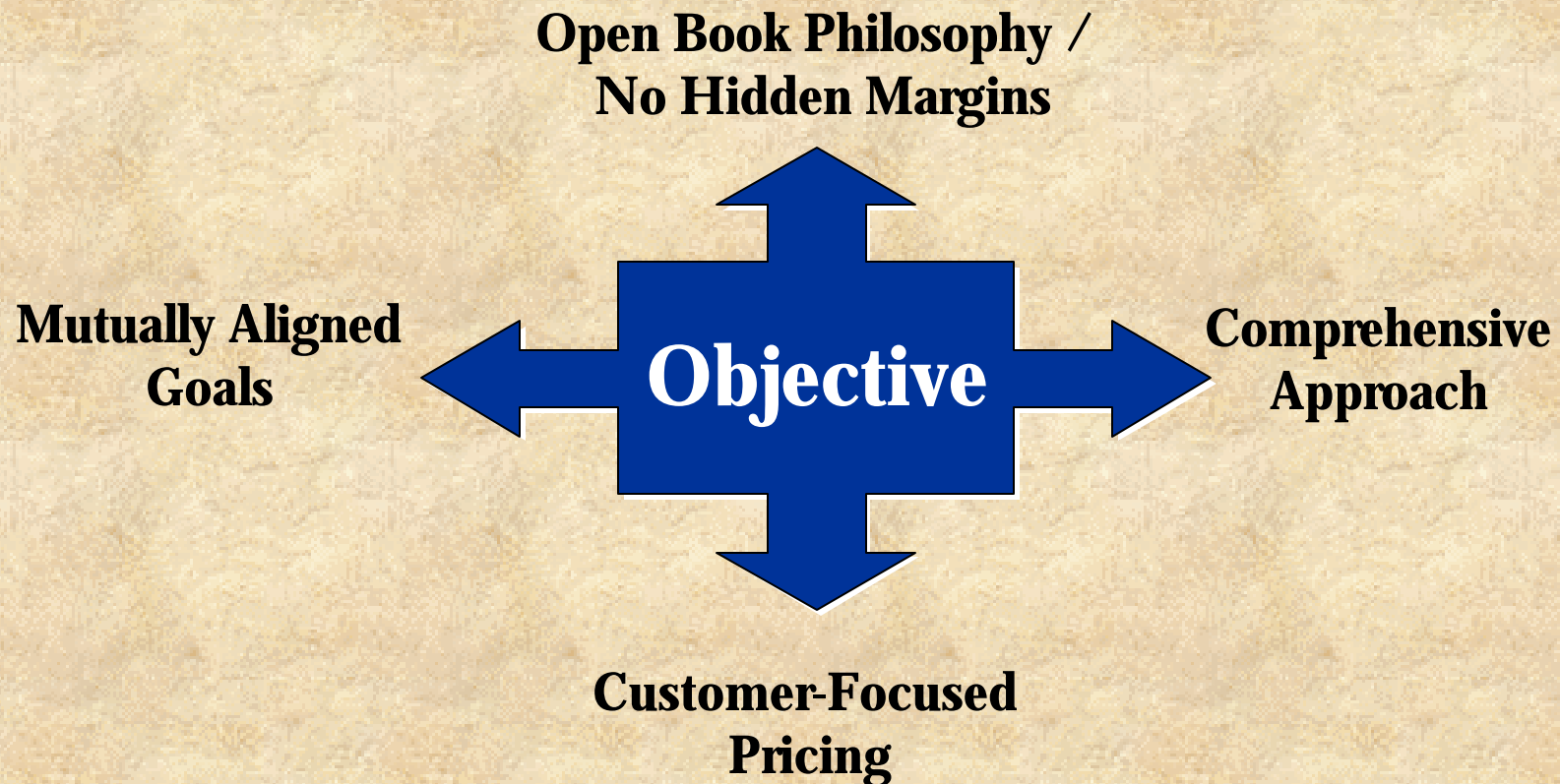


Sample Customers

- **Anheuser Busch (Sea World)**
- **Marriott**
- **Commercial Real Estate**
 - **Trammel Crow**
 - **C.B. Richard Ellis**
 - **Grubb & Ellis**
 - **Trizec Hahn**
 - **Equity Office Properties**
- **National Chains**
 - **Home Depot**
 - **Saks**
 - **May/Lord & Taylor/Kaufmanns**
 - **Tricon (KFC, Taco Bell, Pizza Hut)**
 - **Grainger**
 - **The Limited**

- **QUALCOMM**
- **City of Pittsburgh**
- **300 Public School Systems**
 - **Assn. of Educational Service Agencies**
- **Health Care Facilities**
 - **UPMC**
 - **Ohio Valley**
 - **Ohio Hospital Assn.**
 - **Amerinet**
- **Banks**
 - **PNC**
 - **Mellon**
 - **Key Bank**
 - **Charter One Bank**
- **Greater Cleveland Growth Association**

Why is Strategic Energy's Approach Different?



Lessons Learned from Deregulation

**Know the rules.
Know the market.**



**Know your position.
Know your exposure.**



Be prepared to move quickly.